

### Market & Portfolio Update

March 24, 2014

Jon Giordani, CFA PSG Investment Advisors, LLC

Investors should consider the investment objectives, risks, charges and expenses of investing in the Fund carefully before investing. The Fund's Prospectus and Statement of Additional Information ("SAI") contain this and other information about the Fund. The Summary Prospectus is available at www.psgfunds.com and the Prospectus and SAI are available upon request by contacting the fund toll-free at 1-800-869-1679. The Prospectus should be read carefully before investing.



### **Economic & Market Update**



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#### **GLASS HALF FULL**

- US ECONOMY IS GROWING. EUROPE SHOWS SIGNS OF STABILITY.
- EVEN THOUGH IT FEELS BAD,
  INVESTORS ARE MAKING MONEY
- CAPITALISM (i.e. Energy Renaissance)
- PRIVATE SECTOR HIRING
- US CORPORATE EARNINGS & BALANCE SHEETS HEALTHY
- FINANCIAL CRISES ARE NOT NEW
- LOW INTEREST RATES HELPING— CAR
   & HOME SALES/PRICES

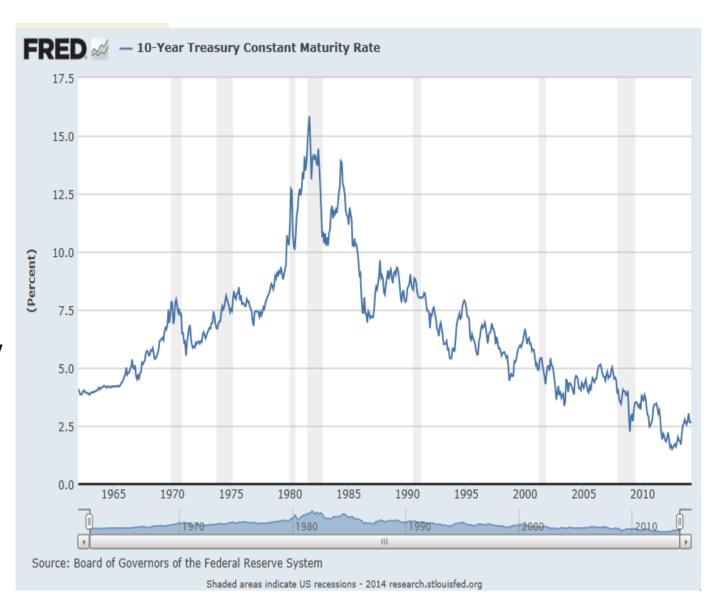
#### **GLASS HALF EMPTY**

- POLITICIANS AND CENTRAL BANKS
   IMPACT ON MARKETS
- ASSETS AREN'T CHEAP. EXPECT BELOW AVERAGE RETURNS
- TOO MUCH DEBT -DELEVERAGING TAKES 8-10 YRS
- CONTAGION RISKS (EMERGING MARKETS)
- POLITICIANS "KICK THE CAN".
- BULLISH INVESTORS
- GLOBAL SOCIAL MOOD



#### **Low Rates**

- ➤ 10 Yr. Treasury Bond yield is near lows
- Also, Central Banks are "printing money"
- Helping the economy
- Forcing investors to riskier holdings
- Driving up asset prices





### **US Equity Markets**

- > S&P 500 stock index hit new highs
- Exceeded highs from 2000 & 2007
- ➤ The past 14 years have been volatile



Source: Yahoo Finance. Chart is the S&P 500 index as of 3/10/2013



#### Fear, Hope, and Greed

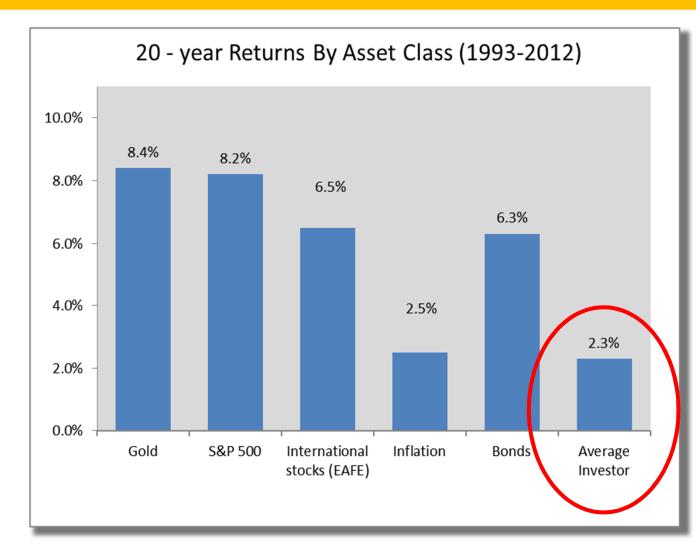


Source: Raymond James research



### **Average Investor**

- Poor investment track record
- Behavioral traits influence decisions
- Maintain a well diversified portfolio
- Evaluate risk in your portfolio



Source: Dalbar, Inc. JP Morgan Asset Management. See disclosure Slide 18.



**PSG Tactical Growth Fund** 

Symbol: PSGTX

Inception Date: May 1, 2012

Net Asset Value: \$11.07(02/28/2014)

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### **Investment Suitability**

Long term investment horizon

Advisor expects diversification of return sources and lower correlation to the stock market over market cycles

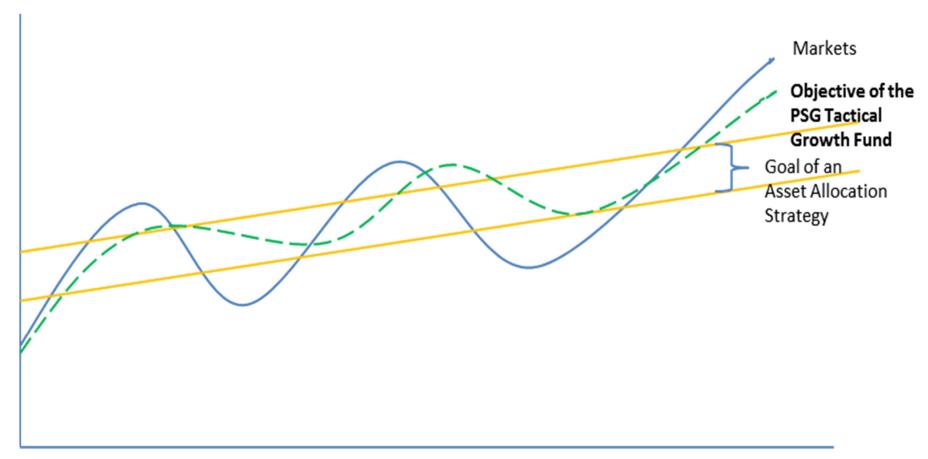
Advisor expects decreased volatility over the long term

Tolerance for fluctuations in asset allocation



#### **Our Goal**

The Fund seeks total return from income & growth with an emphasis on absolute return.





#### **Asset Choices**

Investors today have many more investment choices to consider

See Slide 19 for important disclosure 1970's US Stocks US Bonds Cash

1980's

US Large Stocks

US Small Stocks

**US Bonds** 

Real Estate L.P.

International Equities

Gold Coins

Cash

### **Today**

US Equities-Large Cap

US Equities -Mid-Cap

US Equities-Small Cap

Exchange Traded Funds

International Equities-Developed Markets

International Equities-Emerging Markets

Bonds-Municipal, TIPS, Treasuries, Corporate, Global

High Yield, Mortgage, Convertibles, Floating Rate

Real Estate /REIT's

Precious Metals

Hedge Funds\*

Managed Futures

Long/Short

Cash



### Flexible strategy – Example of Potential Asset Class Exposure

Asset Class	US Only Equity Fund	PSGTX
US Equities	X	X
International Equities		X
Corporate Bonds		X
Government Bonds		X
Preferred Stocks		X
Gold or Precious Metals		X
Option Strategies		X
Hedging Strategies		X



### AIG – American International Group, Inc.

- One of Fund's largest equity investments. Cost per share \$33.09.\*
- Rationale for initial investment
- The stock continues to trade at a discount to book value
- We believe many issues are now behind the company. Management can focus on its operating businesses going forward.
- Company has recently committed to return cash to shareholders via a dividend and share buyback.

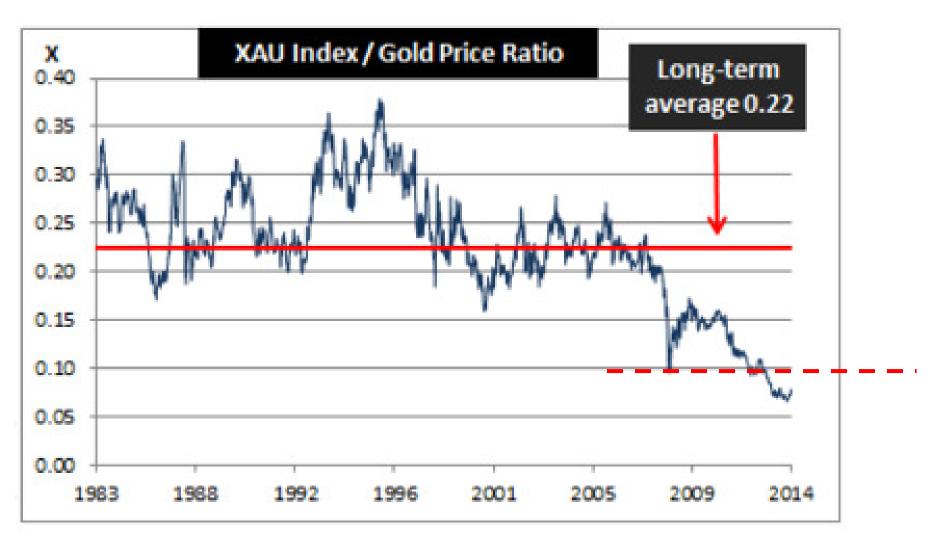


#### Forest Laboratories, Inc.

- Initial purchases in September 2012. Average cost per share of \$36.29.\*
- Rationale for purchase
- We believed this was a misunderstood company by Wall Street which was focusing on short term issues and not long term potential.
- 9/13 Brent Saunders named CEO & President
  - 12/13 New strategy unveiled, stock buyback & acquisition announced.
  - 1/14 Acquistion of Aptalis for \$2.9 billion announced.
  - 2/18/14 Actavis announces it will acquire Forest Labs.

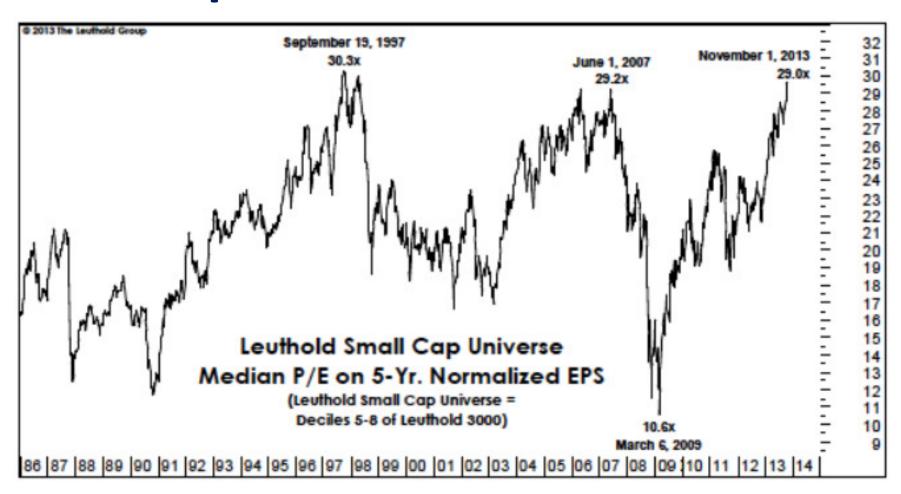


### **Gold Miners – Reversion to the Mean**





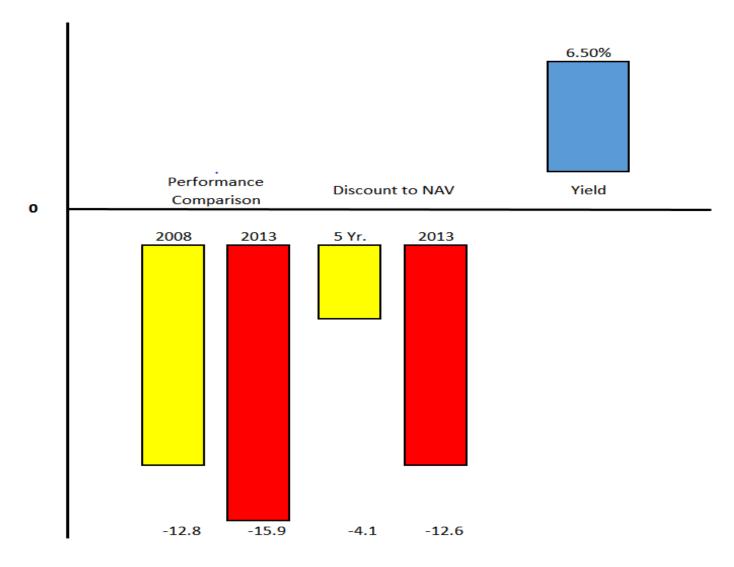
# **Small Cap Valuations**



Source: Leuthold Group, 11/2013



### **Yield Fears - 2013**





### **Risk management**

The Fund may implement hedging strategies in unfavorable markets in an attempt to manage downside risk.

Hedging strategies include: holding cash, option strategies, & establishing short positions that benefit should prices decline.

Initial Loss (%)	% Gain Required to Breakeven
10%	11.1%
20%	25.0%
30%	42.9%
40%	66.7%
50%	100.0%



# Disclosure

#### **Disclosure – Slide 7– Average Investor**

The source of this material is from JP Morgan Asset Management and Dalbar Inc. Indexes used are: Gold: USD/troy oz., Inflation: CPI, S&P 500, International Stocks – EAFE: MSCI EAFE, Bonds: Barclays Capital US Aggregate Index. Average asset investor return is based on Dalbar Inc., which utilize aggregate mutual fund sales, redemptions and exchanges each month as a measure of investor behavior. Returns are annualized and represent the 20 year period ending 12/31/12 to match Dalbar's most recent analysis.



### Disclosure

#### Disclosure - Slide 11 - Asset Choices

An investment in a money market fund is not typically insured or guaranteed by the FDIC or any other government agency. Although the money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund.

High yield bonds experience higher volatility and increased credit risk when compared to other fixed income investments.

Diversified funds that invest in a variety of asset classes (also called balanced, hybrid or allocation funds) are expected to have reduced volatility relative to an investment in a single the underlying asset.

Small-cap stocks may be riskier than stocks from more established companies. Small-cap investments may not be readily converted into cash. This may affect their value so that shares, when redeemed, may be worth more or less than what they originally cost.

Investing in emerging markets can be riskier than investing in well established foreign markets. International investing involves special risks not found in domestic investing, including increased political, social, economic and currency instability.

Funds that concentrate their investments in one region or industry may carry greater risk than more broadly diversified funds.

There are special risk factors associated with REITS, such as interest rate risk and the illiquidity of the real estate market. Shares, when redeemed, may be worth more or less than the original amount invested.

Investment values will fluctuate with changes in market conditions so that when you withdraw your investment it may be worth more or less than the original amount invested.



# **Contact Information**

For more information including how to invest, please contact us as follows:

#### **Investment Advisor:**

Robert Carson, MBA

Managing Partner. Chairman & President PSG Capital Management Trust.

Jon Giordani, CFA

Chief Investment Officer. Trustee & Treasurer PSG Capital Management Trust.

8161 Maple Lawn Blvd., Suite 400 Maple Lawn, MD 20759 301-543-6012

#### **Transfer Agent:**

Mutual Shareholder Services, LLC. 8000 Town Centre Drive, Suite 400 Broadview Heights, OH 44147 Phone: (800) 869-1679 or (440) 922-0066